

SUBJECT

BOARD RESOLUTION NO. 25-1787

Pertaining to a 2025 Budget Amendment No.7 in multiple accounting units to reflect the acceptance of \$35,600,000 from MNPFA and establishing spending and financing for the 2024 Urgent Lead projects budgets in the Water Utility Fund.

2025 STRATEGIC PLAN GOALS: Financial Stability

At its March 8, 2022 meeting, the Board directed staff to initiate a 10-year enhanced lead service line replacement plan ("Lead Free SPRWS").

At its April 16th, 2024 meeting the Board directed staff to apply to the Minnesota Public Facilities Authority ("MNPFA") for funding in an amount of up to \$35M to finance the replacement of approximately 2,500 lead service in the 2025 construction season.

At its August 20th, 2024 meeting the Board approved resolution 24-1252 accepting the \$35M funding from MNPFA

Funding will be apportioned as approximately \$24,020,000 in grant funding for private property replacements and \$11,580,000 for publicly owned portions financed via a grant anticipation note from the MNPFA, such debt service to be paid in full via a separately awarded grant from the MNPFA.

At its August 12th, 2025 meeting the Board approved concurring resolution 25-1237 providing the issuance of two Taxable Grant Anticipation Notes in a combined original aggregate principle amount of not to exceed \$11,580,000 in addition to confirming the General Manager to authorize subsequent documents, certificates or other instruments (including the 2025 Project Order).

This resolution will approve an increase of \$600,000 to the 2025 budget. The 2025 budget accounting units to be revised are included in the attachment.

\$ 198,697,999	2025 Initial Adopted Budget
\$ 12,000,000	2025 Budget Amendment No. 1 McCarron Treatment Plant Improv. Proj.
\$ 0	2025 Budget Amendment No. 2 Organization Restructure neutral change
\$ 0	2025 Budget Amendment No. 3 Debt Service neutral change
\$ 75,000	2025 Budget Amendment No. 4 Metropolitan Council Grant
\$ 0	2025 Budget Amendment No. 5 Debt Service neutral change
\$ 0	2025 Budget Amendment No. 6 AU 69082107 neutral change
\$ 600,000	2025 Budget Amendment No. 7 Urgent 2024 Phase IV Lead Funds
\$ 211,372,999	2025 Amended Budget

RECOMMENDATION

Approval